

Testimony of Pava J. Leyrer, CMC, CRMS, CMP
Past President of the Michigan Mortgage Brokers Association

Good Morning Mr. Chairman and committee members. My name is Pava Leyrer and I am the past President of the Michigan Mortgage Brokers Association. I have been in the mortgage industry for almost 30 years and am the owner of Heritage National Mortgage Corporation in Grandville, a suburb of Grand Rapids. I have been a licensed broker/lender since 1999.

I am here today to try and give you perspective on who mortgage brokers really are, what we do, and why we are asking for you to consider information that is very pertinent to credit and lending in Michigan through the Predatory Lending Bills currently before you.

The majority of mortgage brokers are small business owners that play a critical role in helping Michigan's economy and preserving the Dream of Homeownership for many citizens. We live and work in every community and neighborhood. We raise our families, shop, eat and worship with the same consumers that come to us for information and financing on their dream – a home of their own. That is why recent studies by the FTC, JD Powers, and numerous other independent groups have shown, that over 60% of the loans currently done have been written by mortgage brokers across the country with lower fees and terms.

We are the first to recognize what happens when people choose poorly, are ill informed, or worse yet taken advantage of. We see the devastation this can cause to families and communities. This is a prime concern for everyone, not just the mortgage industry.

There has been great concern over several issues that I would like to discuss with you. Michigan is seeing the worst economic conditions in many years. Many citizens have had their incomes reduced or worse yet completely lost their jobs with none to find in its place. The media has given much attention to the condition of housing, delinquencies, and foreclosures in the State.

The Federal Housing Administration visited Michigan in September 2007 because foreclosure rates were one of the highest in the country. FHA loans are generally 30 year fixed rates with the average rate last year at 6.4%. HUD recognized that Michigan has a unique situation where the majority of foreclosures were due to lack of income to make payments. They quoted economic hardship as the number one reason.

Many have stated that subprime and predatory lending have caused this situation and they would be wrong. The analogy that subprime and predatory lending are the same is inaccurate. Many people have a "non-prime" mortgage for a variety of reasons and made that choice fully informed. Predatory lending would involve illegal activities that take advantage of consumers.

Statistics show that about 80% of subprime or non-prime borrowers are paying their payments on time across the country. The MBA also stated that only about 14% of all the loans done in Michigan were subprime lending. Given those numbers our foreclosure rates for loans should be relatively low, but they are not. Homeowners need employment and income to pay their debts.

All loan products possess a degree of risk. The MMBA does not deny that some homeowners have been taken advantage of with programs they should not have obtained and were not informed of loan consequences. Rather than use broad and restrictive measures designed to eliminate risk and choice, We should strive to educate and empower both industry and consumers to manage their risk and finances more effectively. We should streamline disclosures and information for better understanding. This would benefit the individual but also businesses throughout the state.

That is why our association has always supported education for both industry and consumers. We have provided free seminars, workshops, and advice to many groups and individuals. Educating consumers regarding budgeting, planning, and homeownership will protect their families and homes in the future. Consumers should be empowered to make the decisions necessary to benefit their families and understand the information presented in a simplified manner.

Michigan businesses should be able to operate honestly and fairly without fear of their ability to charge a fair price for services rendered. Competition and availability of credit are the only way to ensure the choices homeowners deserve.

Mortgage brokers and their loan officers have come under scrutiny regarding their incomes and the source thereof. Nearly all of the incomes in our industry including bank loan originators come from commissions in the form of Yield Spread Premiums or Service Release Premiums. The only true difference is that Mortgage Brokers fully disclose all income sources upfront and on closing statements that the bank counterparts do not.

I have worked for a large area bank and was paid identically with commissions as I am now. I was allowed to charge rate overages and collect through commissions. The predatory lending bill will not stop this process for banks. It could however, if not considered carefully create an extremely unlevel playing field with fewer credit and loan options available to the consumer who needs them most in Michigan right now by limiting broker loan availability.

We also believe and have supported registering loan officers. Although we cannot register bank loan officers, this bill would create a barrier of entry for the broker profession in several ways. Mandatory background checks, minimum education levels, plus continuing education, would be established that could only benefit the individual and the consumer.

Mortgage brokers have always supported strong enforcement of the current state and federal laws enacted to protect consumers. We pushed for legislation a few years ago dubbed "The Bad Actors Bill" to aid OFIS with the tools and finances, through increased

fees, to bar these illegal actions. We voluntarily paid additional dues to increase funding for examiners from 7 to 13 and still acquire over 9 million in our enforcement fund. Unfortunately this was not been enough and the money was not spent in this area to aid consumers against illegal activity and unlicensed people in our industry. Every profession has the "Bad Actors" it would like to see eliminated and we are no exception. At this time anyone can enter our industry without much effort.

Placing stronger penalties and having protection of fees paid will aid in the enforcement of current regulations designed to protect consumers. The ability to track those individuals who have escaped our grasp, moving from one city to another or even from state to state, will be a valuable asset. It will give consumers the information they need to seek the educated, trusted mortgage broker in their communities and to verify those facts.

Thoughtful and careful legislation such as you see before you can only strengthen our industry. Staying consistent with current federal laws such as HOEPA, RESPA, and TILA will not put Michigan at a disadvantage but strengthen the ability for all concerned to follow the laws with less confusion. It will encourage brokers, lenders, and servicers to change the current negative view of Michigan and aid us in regaining our place at the top of the best place to own a home.

Now is the time to truly understand what has happened in our industry, to consumers, and our State. Let's use this information to make the wise choices that our citizens need and to focus on the things that will benefit not hinder the path Michigan needs to take.

The Michigan Mortgage Brokers Association will gladly be available in any capacity to strengthen our profession, as well as educate and protect consumers.

I would like to summarize a few comments from letters written and sent for your benefit from Michigan consumers and their experiences with Mortgage Brokers. These consumers have purchased or refinanced from Adrian to Remus, to Grand Haven and in my hometown of Wyoming. They represent all jobs and professions including attorneys, teachers, writers, manufacturers, factory workers, and single parents. These are the people this bill will affect. They are the ones we are here for today.

Mr. Chairman, thank you for the opportunity to represent my industry in this matter and I would also like to thank the members of the committee for their time and consideration. I will be available for questions and now present Tim Kleyla, the MMBA Treasurer, Past President and Vice Chair of Government Affairs who would like to add some additional comments.

“Sustaining a Competitive Mortgage Marketplace & Preserving Consumers Choice”

The Yield Spread Premium (“YSP”) Myths vs. Facts

Myth: YSP “came into play” around the mid-1990s.

Fact: YSP has existed from the time loan origination services expanded out of the S&Ls and the banking industry moved away from keeping loans in portfolio. Called different things over the years, YSP came to the forefront in 1992 because of a HUD ruling under RESPA. This ruling required *only* mortgage broker transactions (those that do not fund and close loans in their name or those that table-fund) to disclose YSP on the good faith estimate (“GFE”) and again on the HUD-1.

Today, an overwhelming number of loans are sold onto the secondary market and securitized immediately after origination. As a result, this ruling has created an artificial distinction between the YSP earned by those that “originate” transactions and the service release premium (“SRP”), or gain-on-sale, which is earned by those that “originate and fund” transactions and then sell them. Because of this artificial line, today there is intense focus on the YSP but little understanding or discussion of the SRP or gain on sale. This is despite the fact that prior to the 1992 HUD ruling all three were considered one in the same—indirect compensation paid to the originator by either the lender or the investor in return for services performed and the value of the loan. The lines drawn between these forms of compensation are based on “industry jargon,” not function.

Myth: Only mortgage brokers get paid YSP.

Fact: Every originator that does not keep loans in portfolio is paid compensation; it’s just called something different for each distribution channel. YSP = SRP = Gain on Sale. YSP is a payment by a wholesaler¹ to a retailer² in a broker transaction in return for operating costs absorbed, services performed, closing costs financed, if applicable, and/or the value of the loan. SRP, or gain on sale, is what the lender, banker, or wholesaler receives as payment from the investor/secondary market—again, for costs absorbed, services performed, the financing of any closing costs, and/or the value of the loan. In today’s market, the real difference that exists between SRP, gain on sale and YSP is that only YSP is disclosed. SRP and gain on sale is not disclosed anywhere, anytime—this is back-end compensation that remains undetected and therefore, has escaped scrutiny.

Myth: YSP is a “bonus” payment.

Fact: YSP is how mortgage originators get paid for the loan origination services they perform when a consumer does not want to pay any, or only some, fees upfront. YSP is also a legitimate and legal way for borrowers to forgo paying their closing costs upfront and instead, finance those costs through the interest rate. YSP finances these fees and costs through the rate and so a consumer is paying a higher interest rate. When the consumer chooses not to pay any origination fees or closing costs upfront they are receiving what is known as a no-cost and/or no-fee loan. These loans are offered widely by both broker and retail lender channels and made available because the YSP and SRP compensation structure exists.

Thus, the YSP is beneficial for many consumers who are ready to own a home but have to overcome the hurdle of significant closing costs, or for customers that choose to realize the savings of keeping their cash and financing their costs through their loan rate. Choosing to finance closing and origination costs through the rate

¹ Lenders who have certain loan origination functions performed for them by mortgage brokers.

² Lenders who perform all of the loan origination functions in-house.

allows borrowers to purchase and start building wealth through their home without requiring significant outlay of cash at the onset of the loan.

Myth: YSP encourages steering and unjustified increases in the loan rate.

Fact: Brokers operate in a competitive marketplace and must compete on service, product and price. To be competitive, brokers can not simply increase their interest rate on a loan product in the face of all this competition. The internet, newspapers, TV ads and sheer number of loan originators in the marketplace makes it difficult, if not impossible, for *any* originator to charge higher fees or rates than the market supports and still remain in business.

In addition, there are a number of variables that go into qualifying a borrower for a particular loan product. Qualification of borrowers, especially of non-prime borrowers, can be tight. Therefore, it is not so easy to increase the rate on a loan without negatively impacting loan-to-value and debt-to-income, among other underwriting factors, and triggering a potential disqualification for a loan.

Myth: Broker customers pay more on their loans because of YSP.

Fact: Broker customers pay less than they would if they obtained the mortgage through any other source, including retail. Brokers receive what is known as a wholesale price on any particular loan product. This price is unavailable directly to the consumer. The wholesale price is increased to retail to take into account origination costs as well operating costs (*i.e.*, administrative plus brick and mortar costs associated with conducting business in a particular locality) to reach the actual interest rate that the customer can obtain. Mortgage brokers are primarily small business professionals. Small business entities usually have smaller overhead and administrative costs than their larger retail counterparts. Even with their origination and operating costs included in the rate, mortgage broker customers tend to receive a more competitive interest rate and loan program as compared to borrowers of these other larger channels. This is why mortgage brokers have originated the majority of mortgages in the U.S.

Myth: Banning YSP will eliminate steering and protect consumers from abusive practices.

Fact: Regardless of what it is called, banning YSP will:

- Destroy the small business broker industry. YSP is how brokers are most frequently paid for their services on many loan products. No one can work for free for very long, if at all.
- Eliminate choice and increase costs to consumers significantly. Without the small business broker there will be fewer market participants, resulting in less competition and less choice, which will cause upward pressure on price. In short, all the broker business will be pushed to the banks, placing those entities in a market position to charge even more to the consumer.
- Legislatively pick winners and losers. With brokers unable to earn YSP, they will be prevented from assisting those consumers that are unable or choose not to come to the table with anything less than a 20% down payment and full closing costs and origination fees. Consumers looking for a no or low-cost or fee loan will be forced to turn to the banks.
- Create a market distortion pushing brokers to get a wholesale line of credit, thereby enabling mortgage brokers to earn a SRP rather than YSP, similar to their industry counterparts.

Myth: YSP is not in the interest rate; YSP does not allow shopping.

Fact: YSP is not an additional charge. It is part of the interest rate and included in the annual percentage rate ("APR") calculation required to be disclosed under the Truth in Lending Act ("TIL"). While criticized, APR is the primary shopping tool used by consumers today. YSP is disclosed and is included in the APR. SRP and gain on sale is NOT disclosed, but it is included in the APR.

If you would like to discuss further or have questions, please call Nikita Pastor at 703-342-5851 or email npastor@namb.org.

October 16, 2007

Banking and Financial Institutions Committee
Michigan Senate
State Capitol – Farnum Building
Lansing, MI 48909

Dear Senators:

My name is Roger J. Haynes. I am a lawyer, a small business owner, a member of the Wyoming City Council, and a concerned citizen who has personally experienced the impact of Michigan's housing turmoil.

My wife and I are also two of the fortunate ones who were able to purchase a home and sell an existing home during these challenging times. A trusted and key adviser during that time was our mortgage broker and counselor, Ms. Pava Leyrer of Heritage National Mortgage in Grandville. Without her tireless efforts during this process we most likely would not have been able to find the time to search out all of the available options and had the selection of choices that we had for the purchase of our condo. Ms. Leyrer's efforts were also instrumental in the marketing and resulting sale of our prior home.

I have used mortgage brokers and bank mortgage lenders several times over the years for the initial home purchase and for refinancing. My preference is a mortgage broker. The major reason for this is that my mortgage broker handles most of the transaction from collecting the information and assisting in the completion of the loan documents to searching out the best deals and handling the appraisal to thoroughly explaining my choices to the final wrap-up at closing. This is one-stop-shopping for the home buyer, such as me, who does not have time to travel to various banks and other mortgage companies in search of a mortgage or refinancing. When it comes to refinancing, time is of the essence!

Unfortunately, my mortgage broker and thousands like her are being unfairly criticized in the media and other sectors for the turmoil in the housing industry and our economic downturn in Michigan. However, I believe those critics have their facts confused. Merely because a handful of bad mortgage brokers may have been responsible for loans that did not fit the borrowers who agreed to them, or that some of these loans ultimately resulted in foreclosure, does not mean that either the entire industry or their customers should bear the burden of overarching reactions by the Legislature and Governor.

In my particular case, we originally financed our home, built in 1998, through a mortgage broker and refinanced when rates came down. When we decided to purchase a condo and placed our home for sale, we obtained a stated income loan for the purchase of our condo because our home was not selling. We proceeded with the purchase of the condo. We found a buyer six months later and \$40,000 less than what we purchased our house for in 1998. The next hurdle was to find \$40,000 in cash to take to closing to insure that the buyers would close on the house. We were successful in gathering the money, again in part because of the choices in the marketplace. Without the portfolio choices available, this would not have happened.

The real problems in the Michigan housing slump include permanent job loss, declining home values, escalating taxes, higher costs of both staples, including food, energy, and transportation, as well as the general malaise and uncertainty of Michigan's economy.

Where were the banks and the more traditional lending institutions during this time? Those I spoke with, including my personal and business banker, suggested that I keep looking and that while my credit was exceptional, they were overburdened by borrowers with bad loans already and focusing on more traditional banking products.

Without the assistance of my mortgage broker, we would have not been able to proceed with our condo purchase, and most likely have not been able to acquire the necessary products for insuring that the sale of our house proceeded. As with any type of complex transaction, financial or otherwise, the customer needs to have choices among products. There is no such one-size-fits-all product.

As you consider legislation to license and regulate mortgage brokers, I ask that you carefully weigh the impact of your actions. There is no need to throw out the baby with the bath water in making changes to how mortgage brokers operate in Michigan.

Requiring state licensing and regulation is a powerful solution, especially if it is done with the support and assistance of the mortgage broker's profession and their association. Merely limiting products and service options that mortgage brokers offer should not be part of the solution because it merely creates additional problems.

With the proper licensing and regulation partnership between Michigan and the mortgage broker profession it can preserve financial options for the many customers like myself who need choices and proper financial instruments to accomplish their real estate needs. That solution makes sense.

Finally, without the special services that mortgage brokers, such as Ms. Leyrer and her colleagues provide, the opportunity for hundreds of thousands of business owners and professionals to purchase their home, recreational, or business property or to even refinance those purchases would be eliminated. This group of potentially negatively impacted individuals includes small business owners, lawyers, doctors, accountants, and others who would be limited in financial solutions to their buying needs.

I do not believe that the Legislature and Governor can afford to heap another bad news solution on top of the Michigan Business Tax, the Income Tax increase, and the Michigan Sales Tax on services recently enacted. We need real solutions for these issues. Real solutions include the proper licensing and regulation effort sought by the industry.

Sincerely,

Roger J. Haynes, Esq.
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16 October 2007

Pava J. Leyrer
Heritage National Mortgage
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Dear Pava,

My experience with your company stands as a pillar of excellence, honesty and customer service compared to my dealings with banks. Read below to hear of our last two experiences with large, nationally-known banks Huntington and Citibank.

Before utilizing your services to find a mortgage for our current home, we used our local bank, Huntington, to serve as our mortgage lender in the purchase of some vacant property. Throughout the process, we were told we were working on obtaining a 30-year fixed rate mortgage. This was made very clear to us and was the mortgage vehicle that we desired. The day we entered the bank to close and sign the paperwork—in fact when the paperwork was actually presented to us to read—only then did we discover that the mortgage had been changed to a five-year balloon note! As to explanation, the bank said that it was the only kind of mortgage they could obtain to finance our vacant land. Feeling trapped and unwilling to possibly lose the property which we hoped to secure as our eventual retirement home site, we went ahead and closed on the deal. This note will now come due next November and necessitate that we refinance it.

After using your services, we attempted to obtain a home equity line of credit. Citibank was advertising what appeared to be some excellent rates for a home equity loan at the time, so we decided to try them. Again, we went through the application and approval process, were approved and told the details of our loan, including the interest rate. We were satisfied with the deal and setup a time to close. The day before the closing, the person that was going to come to our house to have us sign the paperwork, called to confirm the signing date and time. With the remembrance of our last dealing with a bank still fresh in mind, I asked the person to once again confirm the terms, rate and conditions of the loan. We were shocked when it was revealed to us that the interest rate we had been quoted had suddenly been increased by two full percentage points! I could not believe that we were trying to be compromised into yet another bait and switch mortgage deal! This time, however, we were in a situation at least where we were able to decline the offer. We were then further surprised to learn a few days later that Citibank had gone ahead without a closed deal, and contacted our homeowner's insurance company to have our policy changed to reflect them as the payee!

Having suffered through such exploitive experiences with banks, my dealings with Heritage National stand in stark contrast. With Heritage, I felt I was treated like a real customer. I felt they worked on my behalf to find me the best deal possible. In fact, my experience with Heritage made me feel more like they were my partner looking out for my best interests.

Sincerely Yours,

Paul M. Strickler
Author

Dear Pava and Heritage National Mortgage,

Thank you for your hard work and dedication in finding the right loan for us. Our situation was very unique and you went farther to help us out than any bank would have. We tried a bank first (a very well known mortgage lender) and although they were kind and helpful, we were treated as a number. They did not give us nearly as many options as you were able to find for us. They were unable to find a program for us that suited any of our needs. They never even mentioned an FHA loan or down payment assistance. We were told the maximum house we could get a loan for was \$30,000 less than what we needed. Once they reached that point, they said they could no longer help us. They tried one program and that was it. I was disappointed and figured that there was nothing left for us to do until we talked with you. My sister referred us to you and we are thankful that she did.

This was our first home purchase and you made it extremely painless. I was amazed by how professional and helpful you made the process. After dealing with the bank, we figured we were out of luck, but you did all the work and took care of all of our issues and found the perfect program for us. The bank offered us an ARM with quite a bit of money down. We wanted a fixed rate mortgage with little to no money down and you were able to get that for us. I will never go to a bank again. You have made a client for life. You treated us as people and not just as numbers. We will come to you for all of our mortgage needs and we will refer anyone we can to you. Your knowledge and experience in mortgages changed our life and gave us a chance to be real home owners.

Thanks for everything and we will do business with you again.

Nathan & Melissa Adrian –*Clients for life*
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October 16, 2007

Pava, we have used you and your services multiple times and prior to using you, we had a horrible experience with a bank on our first mortgage about 7 years ago. He did not tell us all the details behind our mortgage loan and we somehow got locked in at a bad rate. You were referred to us and when we went to you, you helped us clear up our mortgage issues with the bank and set us up for a good rate and a plan that worked very well for us. You also helped us a couple of years ago setting up our loan for our new home that we built and love. You were honest with us and were able to get us the best rates and explained everything in detail.

Based upon our experiences of new loan start ups and refinancing, you have done a great job for us and we trust in you that you are in the best interest of your clients. You treat our money as if it were your own. The issue we had with the bank has put a sour taste in our mouth and we will most likely never do business through a bank again, but will continue to refer you to others that we know and continue to use your services in the future if needed.

Good luck with this and thanks for all your help.

It's truly sad that it comes to these things. What those individuals, who are making the bad comments, need to do is wise up and do some of their own research outside of professional to understand how money works and is used in their own best interest.

Kind regards.

Melissa and Brad Walbridge
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Christine Veldkamp [VELDKAMC@michigan.gov] October 16, 2007

To Whom It May Concern:

With any industry, there are good companies and bad companies. I have closed on two houses in my lifetime. The first was using a realtor as my advocate and the second was using a mortgage broker. My experience with the realtor was a disaster. I felt I had been misled on two significant issues and paid the price for naiveté when I sold my home and paid off my loan.

I can say with total confidence, that Heritage National is one of the good guys. I used them because I knew the company was owned by an upright, intelligent and moral person (Pava Leyrer). Pava and her staff helped me to understand the legal requirements, financial expectations and the simple jargon associated with purchasing a home. I left my closing confident that I was getting exactly what I agreed to and that it was at the best rate possible. As a result of my positive experience, I have referred several new customers to them and they have had equally positive experiences. When the time comes for me to move again, I will use Heritage National.

Chris Veldkamp
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To whom it may concern,

I have successfully and happily used mortgage brokers to purchase my homes in Michigan. In my experience I found that Mortgage brokers are friendlier and find better rates than banks. I feel mortgage brokers provide a necessary service to the people of Michigan. If the industry was left to banks I personally may not own a home at this time. I like many others had suffered from the economy in Michigan and have bruised credit. I shopped around many banks and my independent mortgage broker was able to find a better program and lower interest rates. There was no pressure and all my options were explained to me clearly. The Mortgage broker took time to explain things where the various banks had a take it or leave it attitude. It was clear to me the bankers did not view me as an important borrower. The mortgage broker got me a good rate on a 30yr. fixed term. I was never pushed toward an ARM or Balloon payment. In closing I will continue to use and recommend Mortgage brokers over banks. They have given me the ability to purchase homes on fixed terms for lower rates than I would have had if I were forced to use a local bank branch. My personal mortgage broker has been an asset and ally in my quest to have a piece of the American dream to own a home in Michigan.

Thank you for your time,

Homer Grant Campbell IV
8855 Cory Dr.
Delton, MI 49046

To whom it may concern,

Over the past few years I have dealt with numerous mortgage brokers, banks, and other financial institutions. It has been said that the brokers are only out to get their commission checks at any cost. Take a look at the market today and what has evolved as a result. As you already know Michigan is in the top five states in the country for properties being foreclosed. This is a result from those banks/brokers allowing people to take out more equity against their home than what it is actually worth just to collect on the commission. Again, this is something that you already know. It is unfortunate there are still mortgage brokers out there who practice these tactics.

However, there are still some mortgage brokers out there who do not participate in these tactics. Pava Leyrer and her company Heritage National Mortgage Corporation are one of those honest brokers in Michigan. I have used Pava and her team of professionals for a number of years both with personal mortgages and mortgages for my client. Pava and her team build a relationship with all of their clients. A relationship of trust. They walk you through the process, step by step, answering any and all question you may have when obtaining a mortgage. Offering a wide range of programs to best suit each individual. They even offer to counsel you if you are unable to obtain a mortgage to lead you in the right direction of achieving many people's dreams of home ownership.

It's no secret that everyone is out there to make money. Heritage National is one of those few Companies that is also there to build a strong Family relationship to continue upholding their reputation as an honest trustworthy broker. In my past experiences they will refuse someone a mortgage when trying pull more equity out of their home than what it's really worth. Thus not participating in the foreclosure meltdown we are all familiar with. Living proof, not all mortgage brokers are in it to collect that next commission check at all any cost. I will continue to do business with Heritage National as we have established on ongoing relationship of good business practice.

Sincerely,

Bryan Whitefoot-Realtor
Greenridge Realty
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Direct Fax: 616-974-6255
E-mail: bwhitefoot@greenridge.com

I am happy to say of my four experiences with mortgage brokers, each time has been a positive experience. I have learned a great deal from the agents I've dealt with and they have saved me tens of thousands of dollars over what I could have received by going through a bank. When I first purchased my home in 1998, I could not find a bank that would help me. I went through a mortgage broker and was able to buy my house. Subsequent refinancing has also gone through a mortgage broker because they offered the best deals available, allowing me to take advantage of greatly reduced rates. I feel getting rid of mortgage brokers would be a great disservice to the majority of communities whose residents don't meet the strict financial guidelines banks adhere to.

Adam VanDreumel
Account Manager
MCSE, MCSBS, MCP

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Heritage National provided us with a service we were not able to find elsewhere. We were first time buyers and the bank we were working with backed out at the last minute and not due to credit reasons. Heritage National worked to find us a lender within a few days and we were able to get our home. Our thanks to: Heritage National and Pava Leyrer, for assisting us during our time of need.

Jim and Barb Schenck

1896 Redwood Circle

Adrian, MI 49221

Schenck, Barbara [bschenck@adrian.k12.mi.us]

Good Morning Pava,

I believe that mortgage brokers should be registered and licensed just like insurance agents, doctors, attorneys, etc. They should also have to take on continuing education. As in all businesses, 99.9% of the companies are reputable, but you will always have the .1% that is scum.

While our particular history is not that long, I have always believed that you have my best interest at heart and are willing to work with me to put together the very best program for me based on my needs, not your pocketbook.

Tell the ignorant that they should make informed statements based on facts, not what they perceive or hear from the few that got the burning they deserved.

Sincerely,

Joel Postma

Account Executive - TDS Metrocom

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Cell: 616-550-7423

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To whom it may concern:

I am writing this letter in support of Pava J. Leyrer, President, Heritage National Mortgage, to get legislation passed to register all loan officers. The reason is that I used a mortgage broker before contacting Pava and I had a very bad experience. The broker raised his commissions and fees to a very high level, which caused me to lose a lot of the equity in my home. Not just that, but also at the last minute told me that I would need money to cover the summer tax bill when there was not enough after his fees to cover. After telling him I did not have the finances to cover that bill, he suggested that I write a check to the city in the amount owed so I could present a paid receipt and then to contact my bank to cancel the check. This mortgage broker was very dishonest and he had no integrity. I learned that the FHA had many different guidelines and this broker had not followed those guidelines. Just to get the approval, he had manipulated the taxes for the year to be less, so I could get the approval for FHA financing. I was stuck. I did not know what to do. A friend of mine recommended Pava J. Leyrer, President, Heritage National Mortgage. I sat down with her and she had pointed all of the above things that I just had mentioned. She said it was a very good loan offer, but what the broker was doing was very unethical with the large commission and fees. Also, she said it is very unethical and bad practice to say the least for him telling me to write a check and then canceling it after the fact, just to get the approval.

I support of Pava J. Leyrer, President, Heritage National Mortgage to get this legislation passed. In the future, I am confident that I will have a need to either refinance or purchase another home. All the work that Pava had done for me and showing me the unethical practices of the last mortgage broker had really opened my eyes. If I decide to use another broker, it will be with Pava J. Leyrer, President, Heritage National Mortgage.

Sincerely,

Jayson Long
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Wyoming, MI 49519



To Whom it may concern;

I am writing this letter in support of the Michigan Mortgage Brokers Association attempt to get approval of Legislation to have all loan officers registered. This is a very good issue to consider seeing we have tried before as a Real Estate board to implement a register with all the affiliates associated with the Grand Rapids Association of Realtors.

The main problem then was getting a consensus with all parties to what they were required to have and show. With Legislation setting the standards, for all to have, will help the overall market with both Real estate professionals and buyers working with the banks and the mortgage brokers.

This past two years especially have been a real task in doing business and there are individuals on all sides that violate the practice. But I must add that if we had Mortgage Brokers (as Pava Leyrer that is presenting today), there probably would not be a need for regulation. The main difficulty out there is having the buyer know by good faith sheet what a loan program will cost. All banks need to have all buyers registered and give a good faith sheet and Mortgage brokers get away with not. By following a sure set of rules Professional standards would really surface.

Mortgage brokers bring to the table loans that buyers need to be able to purchase a home. Conventional financing from the banks are great and even government approved loans to assist help out, But with the right tools and a correct way to document papers, a Mortgage broker can bring that one special addition that can pave the way to buy. Don't miss the opportunity to keep Michigan growing with new home buyers.

I have personally used Pava Leyrer many times and she has helped a great many buyers out that would have never been able to buy a home. She has completed loans from 750 credit score to those buyers under 500 that really need help. Help is what this professional does, and goes the extra mile to make sure they follow the suggested program to repair their credit and enjoy the profits of owning a home. A set of standards like hers it just isn't about commission it is her goal and dream.

Sincerely,

David DeBruyn GRI CRS
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Pava Leyrer and Heritage National is not out only for commissions and high fees. In fact Pava has counseled many clients to help better their situation which in turn saves them money. She is very honest and trustworthy. I know any client referred by her or to her will be receiving excellent service and the best program to fit their needs and wants. Her programs and rates are very comparable to banks and in my experience clients have chosen her when there are similarities between the two because they want to work with Pava. We did have the one situation where the bank couldn't get a deal done and Pava could. It had nothing to with someone having bad credit and no money being stretched to the max, just the opposite the buyer had great credit and resources available the bank just couldn't offer the program they wanted to get the deal done.

Pava steps outside the box when it comes to brokers with hosting free seminars to educate buyers and assist them to get on the right track. Pava works with buyers to get deals done but also knows the limits and will let buyers know when they are reaching beyond their means. She continues work with them to guide them in how to make their situation better so they aren't being stretched beyond their means. Her rates and fees are competitive and not excessively high. More than that her customer service and communicative educational aspect is why clients choose her in the first place. That is just as important as rates and fees.

I hope this helps! My English and Grammer aren't the best and it's hard to put it on paper or email when you speak from the heart. Tell Pava Good Luck from me!!!!

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